

Message Text

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13

ORIGIN PM-04

INFO OCT-01 AF-08 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00

IGA-02 OMB-01 L-03 SP-02 MC-02 H-02 AID-05 ACDA-10

SS-15 /069 R

DRAFTED BY PM/SAS: SGEIS:LD

APPROVED BY PM/SAS: MR. DJJAMES

AF/C - MR. M. GALLAGHER

EB/IFD/OMA - MR. B. CROWE

----- 006824

R 090254Z OCT 76

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO SECDEF WASHDC

TREASURY WASHDC

UNCLAS STATE 252109

E.O. 11652: N/A

TAGS: MASS, CG

SUBJECT: FMS DIRECT CREDIT FOR ZAIRE

REF: KINSHASA 7746

1. DEFENSE ADVISES ZAIRE WILL OWE APPROXIMATE \$502,591 IN
INTEREST DURING SECOND HALF OF CY 76 ON FMS DIRECT CREDIT
LOANS. A BREAKDOWN FOLLOWS:

CREDIT AGREEMENT	ESTIMATED INTEREST
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721 DIRECT	\$43,279
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741 DIRECT	134,534
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751 DIRECT	72,838
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761 DIRECT	251,940
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DEFENSE COMPUTED THE ESTIMATES ON BASIS OF ESTIMATED OUT-

STANDING LOAN BALANCES AS OF SEPT. 15, 1976. THE ESTIMATED INTEREST WOULD DECREASE BY ZAIRE REPAYMENTS AND INCREASE BY ZAIRE DISBURSEMENTS (WITHDRAWALS). THESE FIGURES DO NOT TAKE INTO ACCOUNT ADDITIONAL INTEREST RESULTING FROM LATE PAYMENTS. SUCH INTEREST CAN ONLY BE CALCULATED WHEN PAYMENTS ARE MADE.

2. AS YOU KNOW ZAIRE ALSO HAS TWO COMMERCIAL BANK LOANS WHOSE REPAYMENT IS GUARANTEED BY THE USG UNDER THE FMS ACT. WE UNDERSTAND THE BANKS ESTIMATE ZAIRE WILL OWE \$399,162 DURING SECOND HALF OF CY 76. A BREAKDOWN FOLLOWS:

CREDIT NUMBER	BANK	ESTIMATED INTEREST
711 GUARANTEE	CHASE MANHATTEN	\$205,610
731 GUARANTEE	COMMERCE UNION	193,552

3. AS OF JUNE 30, ZAIRE OWED \$329,262 IN INTEREST ON FMS DIRECT LOANS AND AN ADDITIONAL \$468,400 IN INTEREST TO CHASE MANHATTEN FOR 711 GUARANTEED LOAN. THE PARIS CLUB DEBT RESCHEDULING AGREEMENT OF JUNE 16, 1976 CALLED FOR THE RECHEDULING OF SUCH PRE JUNE 30, 1976 ARREARAGES, AND THE MATTER WILL SOON BE DISCUSSED WITH ZAIRE IN CONNECTION WITH THE BILATERAL US-GOE DEBT AGREEMENT WHICH WILL SUPPLEMENT THAT ACCORD. A BREAKDOWN OF THE INTEREST DUE JUNE 30 ON THE FMS DIRECT LOANS FOLLOWS:

CREDIT AGREEMENT	INTEREST DUE
741 DIRECT	249,820
751 DIRECT	52,267
761 DIRECT	27,175

ROBINSON

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Message Attributes

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Draft Date: 09 OCT 1976
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Decaption Note:
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Disposition Authority: n/a
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Disposition Event:
Disposition History: n/a
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Margaret P. Grafeld
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04 MAY 2006

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TAGS: MASS, CG, US
To: KINSHASA
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